



Federal Regulatory Affairs

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February 23, 2012

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th St., S.W.
Washington, D.C. 20554

Re: *A National Broadband Plan for Our Future*, GN Docket No. 09-51; *Establishing Just and Reasonable Rates for Local Exchange Carriers*, WC Docket No. 07-135; *Developing a Unified Intercarrier Compensation Regime*, CC Docket No. 01-92; *Connect America Fund*, WC Docket No. 10-90; *High Cost Universal Service Support*, WC Docket No. 05-337; *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45

Dear Ms. Dortch:

On February 21, 2012, Ken Mason, Vice President, Government and Regulatory Affairs, Frontier Communications, and the undersigned met with the following members of the Wireline Competition Bureau: Rebekah Goodheart, Randy Clarke, Victoria Goldberg, and Travis Litman in connection with the above-referenced dockets.

The participants discussed the Petition for Clarification that Frontier filed with Windstream,¹ which requested the Commission to clarify that it did not intend to flash cut existing originating intrastate access rates for PSTN→VoIP access traffic to the interstate rate level.² Frontier explained that the effect of such an action could have significant revenue impacts on an ongoing basis as there is no originating access transition currently in place that would harmonize originating intrastate or interstate rates.

Frontier made clear that its intrastate originating access revenues for PSTN→VoIP access traffic have never previously been in dispute so it is difficult to calculate the exact impact should that traffic now be billed at the interstate level. Frontier informed the Commission that flash-cutting originating intrastate access charges to interstate rates for PSTN→VoIP access traffic would have the estimated impacts provided below.

¹ See Petition for Reconsideration and/or Clarification filed by Frontier Communications Corp. and Windstream Communications, Inc. ("*Petition*"), WC Docket 10-90, et al., at 21 (filed Dec. 29, 2011).

² Frontier also notes that the *Petition* takes no position on the effect of such a determination on the proper jurisdiction for calls that originate in IP and terminate on the PSTN.

The two sets of data provided vary based upon which “PVU” (Percent VoIP Usage--the percentage of traffic that the interexchange carrier provides as terminating to VoIP calls) is assessed. The first set of data provided below is comprised of potential total gross reduced originating intrastate access revenues. The second set of data provided is comprised of Frontier’s estimates of the potential net reduced originating access revenues; this data set does not include the revenues that Frontier would receive from originating traffic to its own long distance affiliates and the calculations also discounted to exclude originating minutes of 8YY traffic.

Total Potential Revenue Reduction	
PVU Provided	Potential revenue impact
100% VoIP Termination (Interstate)	REDACTED
90% VoIP Termination (Interstate)	REDACTED
80% VoIP Termination (Interstate)	REDACTED
70% VoIP Termination (Interstate)	REDACTED
60% VoIP Termination (Interstate)	REDACTED
50% VoIP Termination (Interstate)	REDACTED
40% VoIP Termination (Interstate)	REDACTED
30% VoIP Termination (Interstate)	REDACTED
20% VoIP Termination (Interstate)	REDACTED
10% VoIP Termination (Interstate)	REDACTED
0% VoIP Termination (Interstate)	REDACTED

Net Potential Revenue Reduction	
PVU Provided	Potential revenue impact
100% VoIP Termination (Interstate)	REDACTED
90% VoIP Termination (Interstate)	REDACTED
80% VoIP Termination (Interstate)	REDACTED
70% VoIP Termination (Interstate)	REDACTED
60% VoIP Termination (Interstate)	REDACTED
50% VoIP Termination (Interstate)	REDACTED
40% VoIP Termination (Interstate)	REDACTED
30% VoIP Termination (Interstate)	REDACTED
20% VoIP Termination (Interstate)	REDACTED
10% VoIP Termination (Interstate)	REDACTED
0% VoIP Termination (Interstate)	REDACTED

Frontier also noted the potential for arbitrage that exists when interexchange carriers provide their own PVU, which is difficult to independently verify. Incorporating a PVU for originating intrastate traffic PSTN→VoIP access traffic also destabilizes a segment of billed traffic in which

no instability previously existed because originating carriers could accurately detect whether the call was intrastate or interstate in nature.

Finally, Frontier also expressed its concerns with the recently filed Petitions for Limited Waiver of the Commission's new call signaling rules designed to prevent phantom traffic.³ Frontier emphasized that while there are certain instances where it may be technically infeasible to comply with the call signaling rules it is important that the Commission does not make the classes of excepted traffic so great as to render its new rules meaningless.

Pursuant to Section 1.1206(b) of the Commission's rules, 47 C.F.R. §1.1206(b), this letter is being filed electronically with your office today.

Please feel free to contact me with any further questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael Saperstein, Jr.", with a stylized flourish at the end.

Michael D. Saperstein, Jr.
Director of Federal Regulatory Affairs
Frontier Communications
(202) 223-6807

cc: Rebekah Goodheart
Randy Clarke
Victoria Goldberg
Travis Litman

³ See AT&T Inc., Petition for Limited Waiver, WC Dkt. Nos. 10-90 et al. (filed Dec. 29, 2011); CenturyLink Inc., Petition for Limited Waiver, WC Dkt. Nos. 10-90 et al. (filed Jan. 23, 2012); Verizon, Petition for Limited Waiver, WC Dkt. Nos. 10-90 et al. (filed Feb. 10, 2012).